



General Assembly

January Session, 2013

***Raised Bill No. 6600***

LCO No. 4232



Referred to Committee on COMMERCE

Introduced by:  
(CE)

***AN ACT CONCERNING A PILOT PROGRAM FOR THE TAXATION OF  
PASS-THROUGH ENTITIES IN THE MANUFACTURING, BIOSCIENCE,  
AND ALLIED HEALTH FIELDS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2013, and applicable to taxable years*  
2 *commencing on or after January 1, 2013*) (a) As used in this section:

3 (1) "Department" means the Department of Economic and  
4 Community Development;

5 (2) "Partner" means (A) a partner, as defined in Section 7701(a)(2) of  
6 the Internal Revenue Code of 1986, or any subsequent corresponding  
7 internal revenue code of the United States, as amended from time to  
8 time, and any reference to a partner in this section shall include a  
9 member of a limited liability company that is treated as a partnership  
10 for federal income tax purposes, or (B) an individual shareholder of an  
11 S corporation; and

12 (3) "Qualified business" means a business in the manufacturing,  
13 bioscience or allied health field that is treated as a partnership or S  
14 corporation for federal income tax purposes.

15 (b) (1) The Department of Economic and Community Development  
16 shall administer a system of tax rate vouchers for the partners of  
17 qualified businesses in the state in accordance with the provisions of  
18 this section.

19 (2) (A) For the taxable year commencing on January 1, 2013, a  
20 partner of a qualified business shall be eligible for a tax rate voucher  
21 that provides a reduction of one-half of one per cent in such partner's  
22 marginal rate of tax under section 12-700 of the general statutes.

23 (B) For the taxable year commencing on January 1, 2014, a partner of  
24 a qualified business shall be eligible for a tax rate voucher that  
25 provides a reduction of one per cent in such partner's marginal rate of  
26 tax under section 12-700 of the general statutes.

27 (C) For the taxable year commencing on January 1, 2015, a partner of  
28 a qualified business shall be eligible for a tax rate voucher that  
29 provides a reduction of one and one-half per cent in such partner's  
30 marginal rate of tax pursuant to section 12-700 of the general statutes.

31 (D) For the taxable year commencing on January 1, 2016, a partner  
32 of a qualified business shall be eligible for a tax rate voucher that  
33 provides a reduction of two per cent in such partner's marginal rate of  
34 tax under section 12-700 of the general statutes.

35 (c) A partner of a qualified business may apply to the Department of  
36 Economic and Community Development for a tax rate voucher on an  
37 annual basis, and shall provide with such application such information  
38 as the department may require to determine such partner's eligibility  
39 to receive a voucher pursuant to this section. The department shall  
40 charge a reasonable administrative fee sufficient to cover the  
41 department's costs to analyze applications submitted under this  
42 section.

43 (d) The Commissioner of Revenue Services shall reduce the  
44 marginal rate of tax under section 12-700 of the general statutes of a

45 partner holding the tax credit voucher issued pursuant to subsections  
46 (b) and (c) of this section by the percentage specified in the voucher for  
47 the tax year in which the tax rate voucher is issued. The Department of  
48 Economic and Community Development shall provide a copy of the  
49 voucher to the Commissioner of Revenue Services upon the request of  
50 the commissioner.

51 (e) The Department of Economic and Community Development  
52 may, in consultation with the Commissioner of Revenue Services,  
53 adopt regulations, in accordance with chapter 54 of the general  
54 statutes, to carry out the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013, and applicable to taxable years commencing on or after January 1, 2013</i>	New section

***Statement of Purpose:***

To establish a pilot program providing a reduction in the tax rate of pass-through entities in the manufacturing, bioscience and allied health fields.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*